

MEMPHIS POVERTY FACT SHEET

*2018
Update*

The 2018 Update of the Memphis Poverty Fact Sheet, Produced Annually by
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Memphis. Data from the 2017 American Community Survey Released in
September 2018.

2018 Memphis Poverty Fact Sheet

(Data from 2017 ACS)

Who are the Memphis Poor?

The city of Memphis has a poverty rate of 24.6%. Child poverty is 39.0%, while the poverty rate for people over age 65 is the lowest of any age group at 14.2%. Poverty in Memphis has declined for almost all groups since 2016. The City of Memphis poverty rate for non-Hispanic Blacks is 28.9%; an important decrease from 32.3% last year. At the same time, the poverty rate for non-Hispanic Whites in the city of Memphis has decreased to 12.3%. In the Memphis Statistical Metropolitan Area (MSA), which includes parts of Tennessee, Arkansas, and Mississippi, the overall poverty is 17.1%, child poverty is 27.1%, poverty for people over age 65 is 9.8%, non-Hispanic Black poverty is 24.5%, non-Hispanic White poverty is 8.1%, and Hispanic or Latino poverty is 29.4%.

The Poverty Rate in Memphis and Shelby County Compared to National Rates

In general, poverty rates for the City of Memphis continue to be higher than poverty rates in Shelby County for every category. Both are higher than poverty rates in Tennessee, and Tennessee poverty rates are higher than U.S. poverty rates in almost every category (racial and ethnic groups, and age groups). The exception to this is the poverty rate for non-Hispanic Whites, which is lower in Shelby County than elsewhere. The poverty rate for non-Hispanic Whites in the MSA is, at 8.1%, also much lower than in the Tennessee or the United States, hinting at deepening racial disparities.

Table 1 – Diverse Poverty Rates in Memphis, Shelby County, Tennessee, and the United States

2017 Poverty Rate	Overall	Under 18	18-64	Over 65	Non-Hispanic White	Non-Hispanic Black	Latino	Asian
United States	13.4%	18.4%	12.6%	9.3%	9.6%	22.9%	19.4%	11.0%
Tennessee	15.0%	21.2%	14.2%	9.2%	12.1%	24.3%	24.5%	10.6%
Shelby County	18.8%	30.2%	15.9%	10.5%	8.0%	25.4%	30.1%	N/A
Memphis city, Tennessee	24.6%	39.0%	20.7%	14.2%	12.3%	28.9%	33.3%	N/A
Memphis, TN-MS-AR Metro Ar.	17.1%	27.1%	14.6%	9.8%	8.1%	24.5%	29.4%	N/A

New in 2018

Memphis is no longer the poorest MSA with a population over a million people, and this is accompanied with reductions in poverty rates among all categories. Even the poverty rate of Hispanics, while higher than in the 2016 ACS, is much lower than in the 2015 ACS and exhibits an overall downward trend. This may be the result of reduced unemployment, but we must be cautious because unemployment is a lagging indicator and does not show improvements until after the rest of the economy has improved for a while. However, a very concerning problem, is the fact that poverty for adults over 65 increased for every geographical area. This may be the result of people turning 65 with less accrued income in Social Security as a result of the 2008 economic downturn at a critical juncture in their working lives.

Not-So-New in 2018

What is not so new in 2017 is that Poverty continues to be much higher in Memphis than in the state or the United States, and racial disparities continue to exist. While poverty went down for Non-Hispanic Blacks and for Hispanics, the poverty rate for non-Hispanic Whites is much lower than in Tennessee and the U.S.

Good News Overall – Maybe

Poverty in the U.S. continues to drop, and it appears that the Memphis area is finally beginning to catch up, particularly in Memphis and particularly for racial minorities. However, since the minimum wage has not increased since 2009, the drops in poverty may be the result of inaccurate measuring rather than actual decreases. At the same time, the increases in poverty for people over 65 in every geographical area is very concerning, but it is too early to tell if this is simply a statistical anomaly.

Figure 1 – Percent of the Population under Poverty

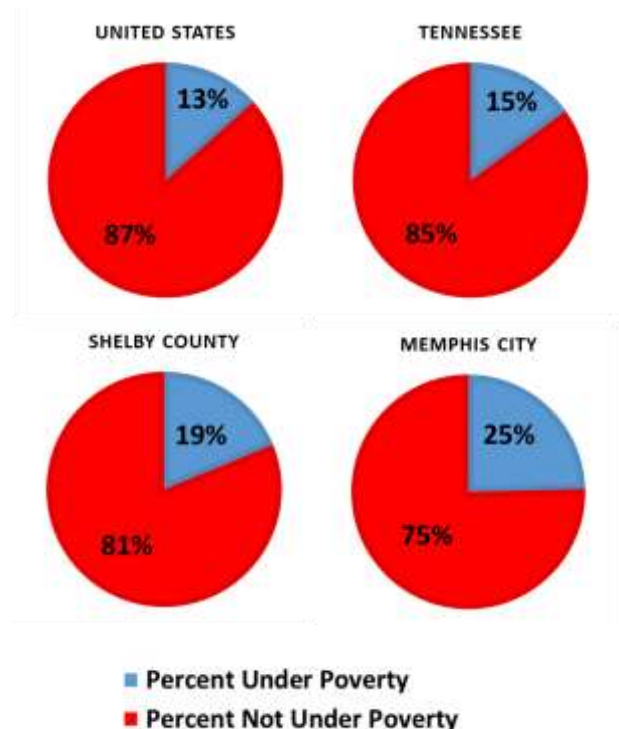


Figure 2 – Poverty Rates in 2016 and 2017 in Memphis and Shelby County

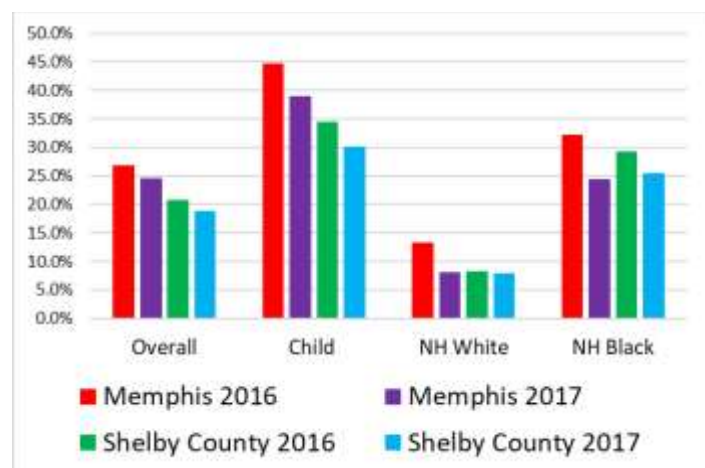


Table 2 – Percent Change in Poverty Rates in Memphis and Shelby County

	Overall			Non-Hispanic White			Non-Hispanic Black			Hispanic		
	2016	2017	% Change	2016	2017	% Change	2016	2017	% Change	2015*	2017	% Change
Memphis	26.9%	24.6%	-9%	13.3%	12.3%	-8%	32.3%	28.9%	-11%	43.3%	33.3%	-23%
Shelby County	20.8%	18.8%	-10%	8.3%	8.0%	-4%	29.2%	25.4%	-13%	35.7%	30.1%	-16%

	Overall			Child			Over 65		
	2016	2017	% Change	2016	2017	% Change	2016	2017	% Change
Memphis	26.9%	24.6%	-9%	44.7%	39.0%	-13%	11.4%	14.2%	25%
Shelby County	20.8%	18.8%	-10%	34.5%	30.2%	-12%	9.6%	10.5%	9%

DETAILED POVERTY TABLES

Table 3 – The Poverty Intersection of Race and Age: United States

2017	Overall	Non-Hispanic White	Non-Hispanic Black	Hispanic or Latino	Asian	Native American
Population Size	317,741,588	197,285,202	40,129,593	58,846,134	17,999,846	2,726,278
Median Household Income	\$ 60,336	\$ 65,845	\$ 40,165	\$ 49,793	\$ 83,762	\$ 41,882
Mean earnings	\$84,525	\$ 94,013	\$ 59,255	\$ 67,345	\$ 116,561	\$ 61,022
Percent Mean Earnings Larger than Median Household Income	40%	43%	48%	35%	39%	46%
Overall Poverty Rate	13.4%	9.6%	22.9%	19.4%	11.0%	25.4%
Child (Under 18) Poverty Rate	18.4%	11.1%	33.1%	26.3%	10.7%	32.7%
Poverty Rate for People 18 to 64	12.6%	10.0%	20.0%	16.0%	10.8%	23.7%
Poverty Rate for People 65+	9.3%	7.2%	16.5%	17.8%	12.7%	17.3%

Table 4 – The Poverty Intersection of Race and Age: Tennessee

Tennessee					
2017	Overall	Non-Hispanic White	Non-Hispanic Black	Hispanic or Latino	Asian
Population Size	6,555,389	4,962,226	1,115,187	361,203	118,312
Median Household Income	\$ 51,340	\$ 54,748	\$ 38,142	\$ 41,549	\$ 69,359
Mean earnings	\$ 72,008	\$ 78,836	\$ 53,091	\$ 56,794	\$ 94,766
Percent Mean Earnings Larger than Median Household Income	40%	44%	39%	37%	37%
Overall Poverty Rate	15.0%	12.1%	24.3%	24.5%	10.6%
Child (Under 18) Poverty Rate	21.2%	14.9%	37.0%	34.1%	13.8%
Poverty Rate for People 18 to 64	14.2%	12.5%	20.4%	18.3%	10.5%
Poverty Rate for People 65+	9.2%	8.2%	16.3%	14.4%	1.9%

Tables 5 and 6 – The Poverty Intersection of Race and Age: Shelby County and Memphis

Shelby County				Memphis city			
2017	Overall	Non-Hispanic White	Non-Hispanic Black	2017	Overall	Non-Hispanic White	Non-Hispanic Black
Population Size	920,373	335,419	500,033	Population Size	638,125	166,228	413,591
Median Household Income	\$ 61,501	\$ 71,926	\$ 37,164	Median Household Income	\$ 39,333	\$ 59,507	\$ 31,729
Mean earnings	\$ 74,498	\$ 107,649	\$ 51,324	Mean earnings	\$ 59,458	\$ 95,560	\$ 44,960
Percent Mean Earnings Larger than Median Household Income	21%	50%	38%	Percent Mean Earnings Larger than Median Household Income	51%	61%	42%
Overall Poverty Rate	18.8%	8.0%	25.4%	Overall Poverty Rate	24.6%	12.3%	28.9%
Child (Under 18) Poverty Rate	30.2%	7.9%	39.3%	Child (Under 18) Poverty Rate	39.0%	14.6%	43.3%
Poverty Rate for People 18 to 64	15.9%	9.1%	20.7%	Poverty Rate for People 18 to 64	20.7%	13.6%	23.9%
Poverty Rate for People 65+	10.5%	4.9%	17.9%	Poverty Rate for People 65+	14.2%	6.4%	19.7%

Table 7 – The Poverty Intersection of Race and Age: Memphis Metropolitan Statistical Area (MSA)

Memphis, TN-MS-AR MSA				
2017	Overall	Non-Hispanic White	Non-Hispanic Black	Hispanic or Latino
Population Size	1,322,585	587,729	623,074	74,859
Median Household Income	\$ 50,984	\$ 68,350	\$ 37,624	\$ 39,034
Mean earnings	\$ 73,581	\$ 97,344	\$ 51,316	\$ 53,689
Percent Mean Earnings Larger than Median Household Income	44%	42%	36%	38%
Overall Poverty Rate	17.1%	8.1%	24.5%	29.4%
Child (Under 18) Poverty Rate	27.1%	8.4%	38.5%	43.8%
Poverty Rate for People 18 to 64	14.6%	8.9%	19.7%	19.8%
Poverty Rate for People 65+	9.8%	5.3%	17.7%	5.8%

Disparities

There are a number of disparities in poverty and income throughout the United States, and particularly in Memphis. Racial disparities, and disparities by age group jump at the observer, but there are other, more subtle disparities that must also be noted. In reporting income, the median is usually used because it provides a more accurate picture of the “typical” income, or the amount of money that a “typical” household receives for a given time period. The mean (average) is not used because outliers can really inflate this number. The median marks the middle of a distribution, that is, half of those at the median make less, and half of those above make more money. When the mean is much larger than the median, it hints at deep disparities within groups. In the city of Memphis, the mean (average) income for non-Hispanic Whites is a whopping 61% larger than the median income for this group. This indicates great disparities among non-Hispanic Whites, and reflects the entrenched problem of disparities in Memphis. Poverty is a problem, but perhaps a larger problem and a driver of crime and social disintegration is the social inequality that cuts across geography, age, and race.

COMPARING MEMPHIS

Poverty Rankings

In 2017, Memphis dropped to second place in both overall poverty and child poverty among Metropolitan Statistical Areas (MSA) with populations greater than 1,000,000. This drop in rank for both overall poverty and child poverty was accompanied by an overall decrease in poverty, which follows the general pattern in the United States. When including MSAs with populations greater than 500,000, Memphis has shown improvements as well.

What the Rankings Mean

The rank number denotes the position of a city or MSA relative to others. The higher the rank number, the higher the poverty rate for that locality. In other words, a higher ranking is not desirable. Note that there are fewer cities with more than a half-million people than Metropolitan Statistical Areas (MSA) with more than a million people. This is because MSAs comprise a larger territory. As a result, Memphis is both a city with more than 500,000 people and an MSA with a population greater than one million, but not all MSA with more than 1,000,000 people include cities with more than half a million people. It is important to note that geographies with smaller sizes tend to have greater poverty rates. Poverty can be as high as 100% of the population in certain small rural localities.

Rankings provide the necessary context to understand poverty rates. A low poverty rate that is still higher than other similar populations is not necessarily a good thing; and a high poverty rate when examined in the context of other populations may indicate that the city is performing better than others. In 2018 (from the 2017 ACS), Memphis appears to have gained ground vis-à-vis other cities and has “gained” in rank, “falling” to second place.

Note: There are 53 MSAs with populations over 1,000,000 and 107 MSAs with populations over 500,000 in 2017. There was no change in the number of MSAs of each size from 2016. In 2014 there were 52 MSAs with populations over 1,000,000 and 104 MSAs with populations over 500,000.

Table 9 – Memphis’ Rank in Poverty Rates

Memphis		2016		2017		
		Poverty Rate	Poverty Rank	Poverty Rate	Poverty Rank	Rank Change
Among Cities with Populations Greater than 500,000 (34 Cities)	Overall	26.6%	3 rd	24.6%	4 th	-1
	Under 18	44.7%	2 nd	39.0%	2 nd	----
Among MSA with Populations Greater than 500,000 (107 MSA)	Overall	19.4%	5 th	17.1%	6 th	-1
	Under 18	30.8%	5 th	27.1%	6 th	-1
Among MSA with Populations Greater than 1,000,000 (53 MSA)	Overall	19.4%	1 st	17.1%	2 nd	-1
	Under 18	30.8%	1 st	27.1%	2 nd	-1

Table 10 – Highest Poverty Rates in Cities and MSA in the United States

Highest Poverty Rates Rank 1		2016		2017	
		Rank 1	Poverty Rate	Rank 1	Poverty Rate
Among Cities with Populations Greater than 500,000 (34 Cities)	Overall	Detroit City, Michigan	35.7%	Detroit City, Michigan	34.5%
	Under 18	Detroit City, Michigan	50.8%	Detroit City, Michigan	48.2%
Among MSA with Populations Greater than 500,000 (107 MSA)	Overall	McAllen-Edinburg-Mission, TX Metro Area	31.4%	McAllen-Edinburg-Mission, TX Metro Area	30.0%
	Under 18	McAllen-Edinburg-Mission, TX Metro Area	44.2%	McAllen-Edinburg-Mission, TX Metro Area	42.4%
Among MSA with Populations Greater than 1,000,000 (53 MSA)	Overall	Memphis, TN-MS-AR Metro Area	19.4%	New Orleans-Metairie, LA Metro Area	18.6%
	Under 18	Memphis, TN-MS-AR Metro Area	30.8%	New Orleans-Metairie, LA Metro Area	27.1%

Table 11 – Top Ten MSA in Overall Poverty

MSA Greater than 1,000,000 (53 MSA) 2017	Overall Poverty Rank	Overall Poverty Rate	MSA Greater than 500,000 (107 MSA) 2017	Overall Poverty Rank	Overall Poverty Rate
New Orleans-Metairie, LA Metro Area	1	19%	McAllen-Edinburg-Mission, TX Metro Area	1	30.0%
Memphis, TN-MS-AR Metro Area	2	17%	Bakersfield, CA Metro Area	2	21.4%
Tucson, AZ Metro Area	3	17%	Fresno, CA Metro Area	3	21.1%
Cleveland-Elyria, OH Metro Area	4	15%	El Paso, TX Metro Area	4	21.1%
Detroit-Warren-Dearborn, MI Metro Area	5	15%	New Orleans-Metairie, LA Metro Area	5	18.6%
Birmingham-Hoover, AL Metro Area	6	15%	Memphis, TN-MS-AR Metro Area	6	17.1%
San Antonio-New Braunfels, TX Metro Area	7	15%	Tucson, AZ Metro Area	7	16.7%
Riverside-San Bernardino-Ontario, CA Metro Area	8	14%	Baton Rouge, LA Metro Area	8	16.3%
Miami-Fort Lauderdale-West Palm Beach, FL Metro Area	9	14%	Winston-Salem, NC Metro Area	9	16.2%
Buffalo-Cheektowaga-Niagara Falls, NY Metro Area	10	14%	Lakeland-Winter Haven, FL Metro Area	10	16.0%

Table 12 – Top Ten MSA in Child Poverty

MSA Greater than 1,000,000 (53 MSA) 2017	Child Poverty Rank	Child Poverty Rate	MSA Greater than 500,000 (107 MSA) 2017	Child Poverty Rank	Child Poverty Rate
New Orleans-Metairie, LA Metro Area	1	27.4%	McAllen-Edinburg-Mission, TX Metro Area	1	42.4%
Memphis, TN-MS-AR Metro Area	2	27.1%	El Paso, TX Metro Area	2	30.1%
Tucson, AZ Metro Area	3	22.4%	Bakersfield, CA Metro Area	3	29.8%
Cleveland-Elyria, OH Metro Area	4	21.7%	Fresno, CA Metro Area	4	28.5%
Detroit-Warren-Dearborn, MI Metro Area	5	21.6%	New Orleans-Metairie, LA Metro Area	5	27.4%
Rochester, NY Metro Area	6	21.3%	Memphis, TN-MS-AR Metro Area	6	27.1%
San Antonio-New Braunfels, TX Metro Area	7	21.2%	Deltona-Daytona Beach-Ormond Beach, FL Metro Area	7	26.3%
Buffalo-Cheektowaga-Niagara Falls, NY Metro Area	8	20.9%	Lakeland-Winter Haven, FL Metro Area	8	26.2%
Orlando-Kissimmee-Sanford, FL Metro Area	9	20.6%	Youngstown-Warren-Boardman, OH-PA Metro Area	9	25.7%
Las Vegas-Henderson-Paradise, NV Metro Area	10	20.3%	Winston-Salem, NC Metro Area	10	25.3%

In Memphis, poverty rates have fallen, and this is good news. We are not “number 1” in poverty in 2018, in either overall or child poverty. While positive, we must approach this with cautious optimism.

THE RACIALIZATION OF POVERTY

The Relationship between Poverty and Race

It has now been observed for several years that the poverty rate among non-Hispanic Whites Only is much lower in Shelby County than in the state or the nation as a whole. However, poverty among non-Hispanic Whites did not decrease as much as for all other groups. At the same time, poverty for the entire MSA fell significantly. It is important to emphasize that although increasing in the Memphis MSA, the poverty rate for this group continues to be lower in Shelby County than in the rest of the nation.

The poor in Memphis tend to be minorities. The poverty rates for Blacks and Latinos (although decreasing for Latinos) are higher than the overall poverty rate, and poverty rates for minorities are higher in every age category than poverty rates for non-Hispanic Whites. Moreover, poverty rates for non-Hispanic Whites are lower in Shelby County than in Tennessee as a whole or the United States in every age category.

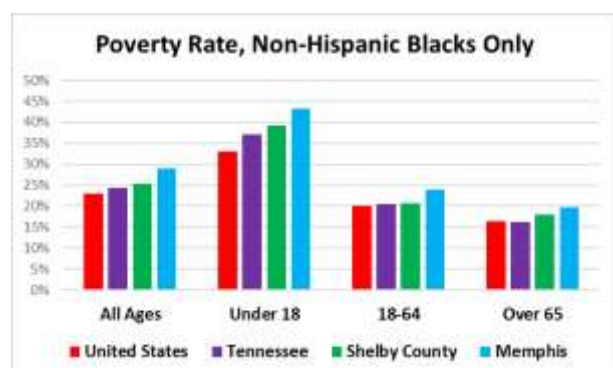
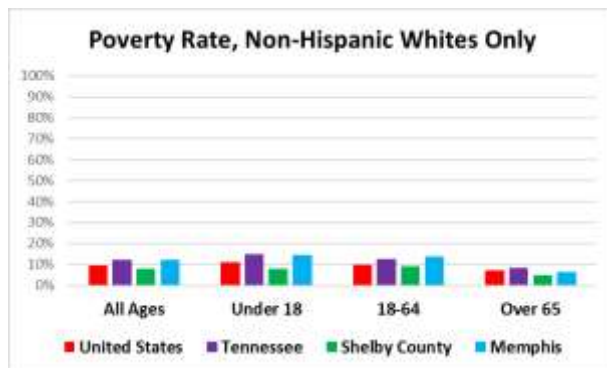
The Poverty Rate and Rank for Non-Hispanic Whites

It is very interesting to note that while Memphis ranks first in poverty among large metro areas (population greater than 1,000,000), when the rate for non-Hispanic Whites is considered by itself, Memphis is positioned much lower in the list, ranking 28th among 53 metro areas. The differences between the poverty rates of minority groups and non-Hispanic Whites are striking. However, it is important to note that the poverty rate among non-Hispanic Whites in the city of Memphis is much higher than the poverty rate for this same group in Shelby County and in the Metropolitan Statistical Area. Memphis will not be able to become the first-class city it could become while racial disparities continue.

Table 12 – Comparison of Poverty Rates and Poverty Trends for non-Hispanic Whites Only and Blacks Only

Memphis non-Hispanic Whites Only	2017			
	Overall Poverty Rate	Overall Poverty Rank	non-Hispanic White Poverty Rate	non-Hispanic White Poverty Rank
Among Cities for which data are provided (34 cities)	24.6%	4 th	12.3%	7 th
Among MSA for which data are provided (53 MSA)	17.1%	2 nd	8.1%	28th

Figures 3-4 – Comparison of Poverty Rates and Poverty Trends for non-Hispanic Whites Only and Blacks Only



Minorities suffer greater rates of poverty than non-Hispanic Whites in Memphis and Shelby County.

Trends in Poverty Rates

The poverty rates for non-Hispanic Whites are better in Shelby County than for the same group in Tennessee or the United States, while the rates for Blacks are generally worse in Memphis and Shelby County than Tennessee or the nation. It is also interesting to note that for non-Hispanic Whites, the worst poverty rates are at the state and the city level. Given that the majority population in the state (in contrary to the city of Memphis) is White, it is clear that the driver for poverty in the state is White poverty.

Poverty Trends – Has Poverty Gotten Better?

Since 2005, poverty rates in Memphis rose steadily and the 2008 economic crisis resulted in increased poverty rates for all racial and age groups at that time, and although declining this year, remain high. It is important to note that some groups were able to recover much sooner, clearly an indicator of the pervasive disparities in the region. The overall picture in Memphis in 2018, from the 2017 Census estimate, is encouraging, but it is too soon to tell whether this is a statistical anomaly or it is a trend. It is also possible that the way we measure poverty, with the Orshansky method, which has not changed in decades, even though the needs of people in the modern world are very different.

Why Is Poverty High in Memphis?

One possible explanation is that the labor market in Memphis tends to consist of unskilled workers in the warehouse industry. The lack of comprehensive, effective, and efficient public transportation also makes progress against poverty very difficult. Finally, the divide between the city and the county, as evidenced by the racial and geographical differences in poverty, tends to deprive the city of Memphis of the funds it needs to support the region.

***Falling to second place is good news,
but it is not great news when we
continue having high poverty rates;
when the child poverty rate is still so
high that four in ten children live in
poverty; and when racial disparities
continue glaringly.***

Figure 5 – Trends in Poverty Rates by Age, Memphis

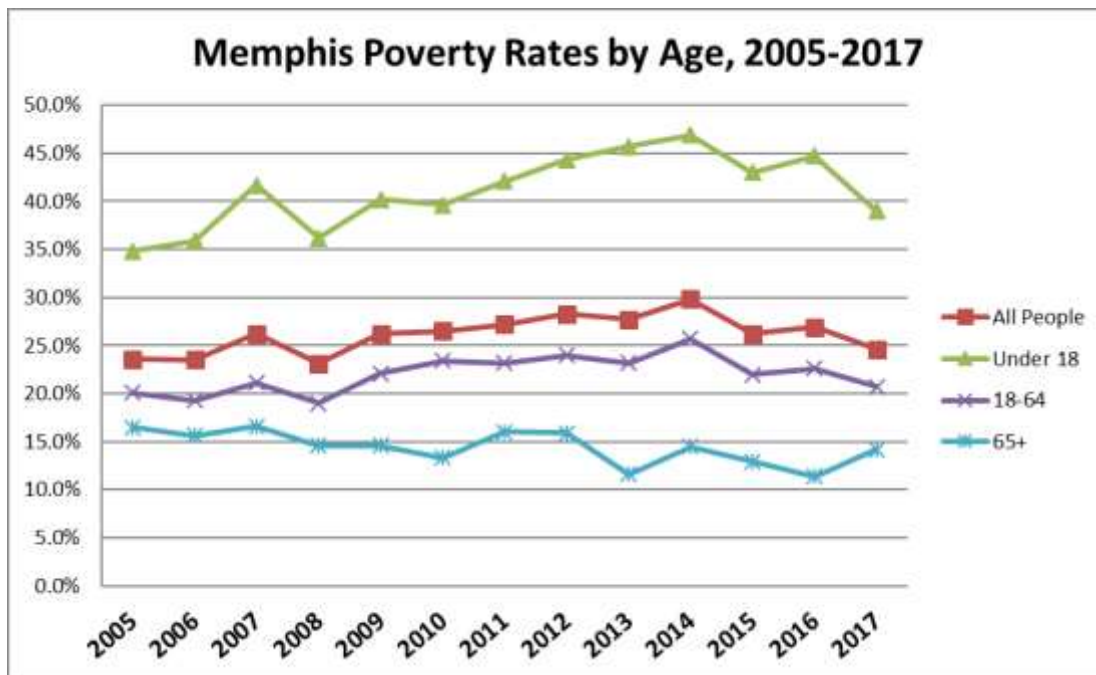


Figure 6 – Trends in Poverty Rates by Age, Shelby County

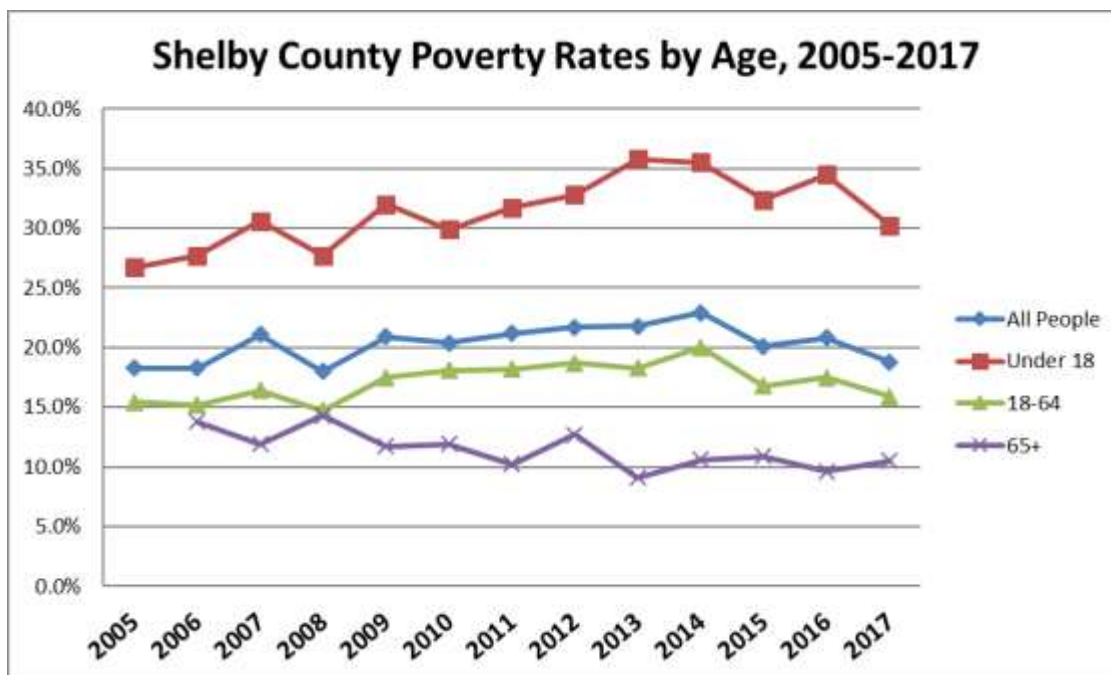


Figure 7 – Trends in Poverty Rates by Race, Memphis

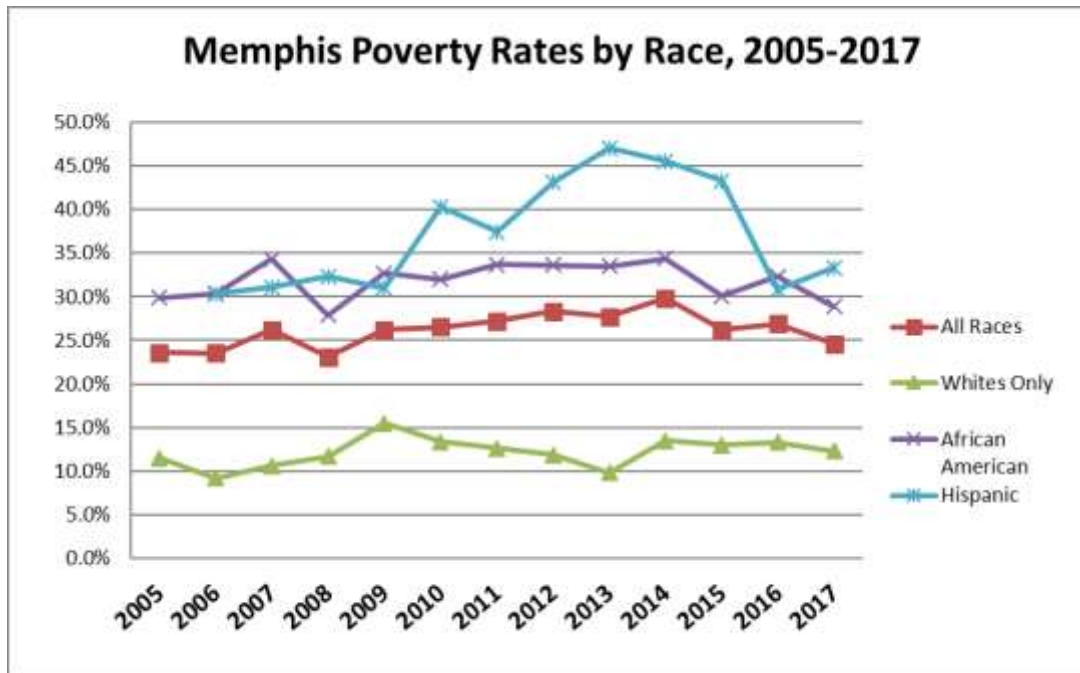
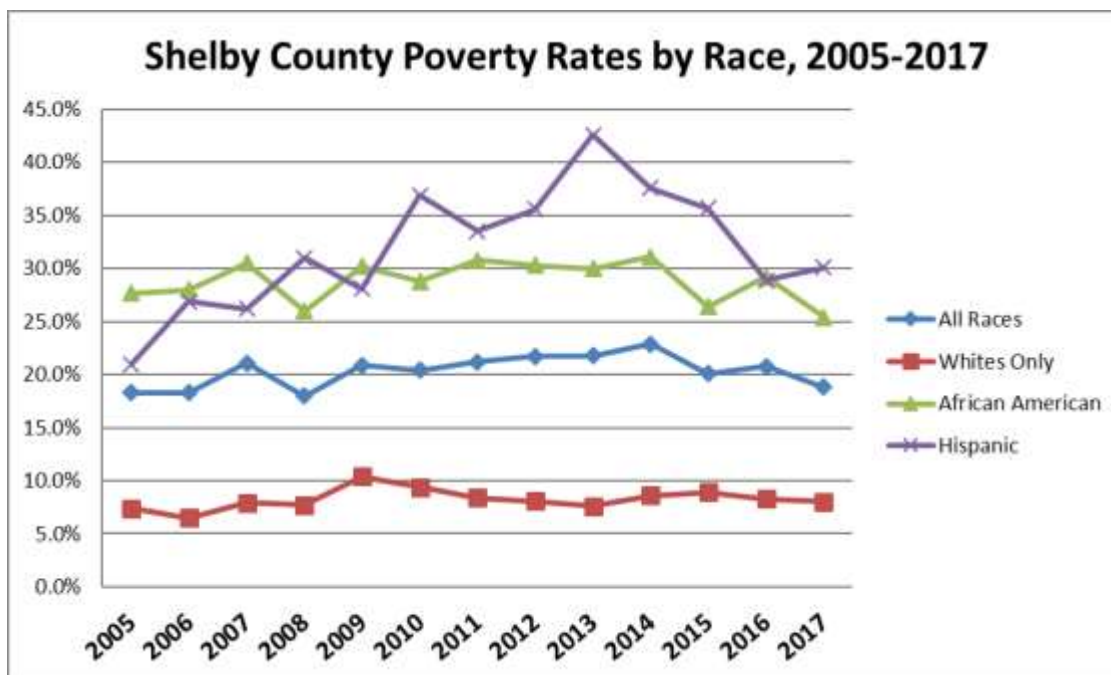


Figure 8 – Trends in Poverty Rates by Race, Shelby County



A community cannot have such high percent of people in poverty without affecting everyone. We have to understand that to eliminate poverty, we need to work together for the benefit of all.

#SharedRiskforSharedProsperity

The School of Social Work at the University of Memphis is dedicated to understanding poverty and its causes through research and engaged scholarship. Our purpose is to identify the most effective ways to eliminate poverty and promote social and economic development for our region.

The mission of the Benjamin L. Hooks Institute for Social Change is to promote civil rights and social change, primarily through teaching, research, innovative campaigns, and community engagement

If you would like more information on Memphis poverty, please contact Dr. Elena Delavega at mdlavega@memphis.edu

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Sources:

Data obtained from the US Bureau of the Census, September 13, 2018

All Data except Latino (Hispanic): 2011, 2012, 2013, 2014, 2015, 2016, and 2017 ACS 1-Y Estimates (Table S1701: Poverty Status in the Past 12 Months. Other Tables: DP03, C01001); 2005, 2006, 2007, 2008, 2009, 2009, 2011, & 2012 American Community Survey 1-Year Estimates (US Bureau of the Census)

Latino (Hispanic) Data: 2007, 2008, 2009, 2010, & 2011 American Community Survey 3-Year Estimates and 2016 5-Year Estimates (US Bureau of the Census).